



**Weatherization Deferral Repair Program
Program Manual
February 2024**

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I. INTRODUCTION

The Department of Housing and Community Development (DHCD) administers the federally-funded Weatherization Assistance Program (WAP) for low-income persons in Virginia, in partnership with a network of local weatherization subgrantees (“subgrantees”). DHCD makes Housing Innovations of Energy Efficiency (HIEE) funding available to the subgrantees through the **Weatherization Deferral Repair (WDR) program** to assist eligible households in Virginia. These households have been deferred from receiving WAP services due to needed repairs to ensure they are eligible to receive WAP services. HIEE funds are derived from the auction proceeds that DHCD receives from Virginia’s participation in the [Regional Greenhouse Gas Initiative](#) (RGGI).

WDR utilizes the Virginia WAP subgrantee network. WDR funds are provided to the weatherization subgrantees by DHCD via separate agreements. Repairs under WDR are intended specifically to address WAP deferrals and enable making homes or multifamily buildings “weatherization ready,” and for income-eligible households to receive weatherization services. ***WDR funds are to be utilized only for repairs identified by the subgrantee as causing the deferral of the home or multifamily building from WAP.***

- For information on WDR, access the DHCD [WDR webpage](#).
- For more information on WAP and household eligibility requirements, access the DHCD [WAP webpage](#).

II. WDR PROGRAM OVERVIEW

WDR funds are allocated to weatherization subgrantees specifically to repair issues causing WAP deferrals in Virginia: leaking roofs, minor structural issues, biological contaminants (e.g. mold), moisture issues or water damage, electrical repairs, and plumbing repairs. Under certain conditions, heating and cooling system repairs or replacements can also be funded by WDR or co-funded with WAP. Other measures needed to bring the home out of deferred status and enable the home to be weatherized may be considered on a case-by-case basis.

WDR funds are to be used solely to make repairs on eligible Weatherization unit(s) and to address the specific issue(s) that caused, or are causing, the units to be deferred so that the homeowner/tenant may regain eligibility for WAP. WDR is not intended for full housing rehabilitation projects. DHCD limits WDR repair costs at reasonable and region-specific limits, as shown in [Table 1](#). If estimated repair costs exceed the limits, the subgrantee must contact DHCD so that the request may be evaluated for approval. Gut rehabilitations, typically projects requiring full plumbing or electrical replacements, and major structural repairs, are beyond the scope of WDR and WAP. Derelict, abandoned, and/or condemned homes are not eligible. If, in consultation with DHCD, subgrantees determine repairs needed to address the issue(s) causing the deferral are beyond the scope of the WDR program, DHCD may work with subgrantees to refer these homes to local or other state housing rehabilitation programs. For more detailed information see the section on [eligible repairs](#).

III. FUNDING ALLOCATION AND ADMINISTRATIVE COSTS

A. SUBGRANTEE AGREEMENTS AND REPAIR COSTS

The WDR Program requires subgrantees to adhere to a WDR Program Agreement, separate from the WAP agreement, but aligned with the WAP program year on a July to June cycle. Allocation of WDR funds through these agreements is based on the subgrantee's identification of eligible deferrals in its service area and estimated cost of the associated repair(s).

DHCD intends to ensure that all subgrantees have a sufficient allocation of funds to initiate the necessary work to address their current and projected deferral lists. WDR funds will also be allocated to ensure that the weatherization network overall is able to address the maximum number of deferrals that currently exist.

B. ADMINISTRATIVE COSTS

For subgrantees requesting less than \$1.0 million in HIEE funds, DHCD will include an additional twenty (20) percent of the identified WDR allocation amount for subgrantees' administrative overhead and equipment costs with each agreement; those subgrantees requesting over \$1.0 million will receive an additional fifteen (15) percent for administrative costs. Administrative costs may include staff time associated with the use of WDR funds, preparing reports and remittances for submission to DHCD, project management (e.g., obtaining evaluations/estimates on needed repairs, inspections of completed work), and similar costs related to administering them. **As with all billed expenditures, billing for administrative costs must be based on actual costs incurred during a particular billing period.**

DHCD reserves the right to change the administrative cost rates on an annual basis and will seek subgrantee network input prior to making any changes.

C. DEFERRAL TRACKING

Participation in the WDR program requires that all WDR recipients be WAP subgrantees. Potential WDR clients deferred from weatherization are tracked through the WDR Initial Set-up Reports in the Centralized Application & Management System (CAMS). Subgrantees must input the WAP Job Number in the CAMS report. The WAP Job Number is the job number that is entered into the weatherization workflow/data management system, and thus links the WDR customer to the WAP record. As WDR projects are completed, the subgrantee must accurately track the addresses of the projects to ensure that they are now eligible for WAP services. Subgrantees may utilize their own systems and processes for re-engaging with clients and prioritizing WDR projects, but participation in the deferral tracking system will be mandatory.

D. SERVICE PROVIDER/CONTRACTOR ELIGIBILITY

For WDR work, subgrantees and/or their subcontractors must be appropriately licensed and insured to perform the work that is needed to repair the issue(s) causing the deferral. Staff or subcontractors performing projects under WDR are generally not required to have WAP-specific

training and credentials; however, subcontractors and subgrantee staff must be appropriately trained and licensed in accordance with all relevant state, federal regulations, local authority having jurisdiction (AHJ), guidelines, and agreements.

For WDR/WAP co-funded Crossover Projects¹, staff or subcontractors must complete the installed measures in compliance with federal weatherization program requirements.

E. SERVICE AREAS

WDR funds may only be used to assist eligible households in the Commonwealth of Virginia. WDR service areas align with WAP service areas. DHCD expects that the WDR program is to be available and delivered statewide in coordination with WAP. With explicit written permission from DHCD on a case-by-case basis, subgrantees may serve eligible households outside of their established service areas. Allowances to serve outside subgrantees' service areas are based on need, capacity, and available funding.

F. REALLOCATION OF UNSPENT FUNDS AND PERFORMANCE POOL

DHCD will actively review the expenditures of WDR funds by subgrantees regularly to ensure that the subgrantee is progressing satisfactorily towards addressing needed repairs of deferred homes in its service area. Subgrantees are not required to spend 100 percent of funds allocated per the WDR Program Agreement in an agreement year but must demonstrate reasonable and substantial progress toward addressing the projected number of deferrals. Unspent funds may continue to be spent into the subsequent program year with approval from DHCD. However, DHCD reserves the right to adjust WDR funding allocations or limit/reallocate funding as needed to ensure ongoing production and statewide coverage.

If a subgrantee has been identified by DHCD to have production issues that may compromise the success of the WDR Program, DHCD will confer with the subgrantee to understand barriers and identify a production improvement plan and process. The subgrantee must agree in writing to implement steps identified for production improvement. If issues relating to lack of production are unable to be resolved, DHCD reserves the right to de-obligate and reallocate part or all remaining funds subject to their program services agreement. DHCD may also choose to terminate the agreement.

In addition, DHCD may set aside HIEE funds in a performance pool, which may be quickly allocated by addendum to existing subgrantees that spend all allocated HIEE funds for WDR projects before the end of the agreement period and need additional funding to maintain activity on their WDR project pipeline.

¹ Crossover Projects are projects in which WAP funding is supplemented or replaced by WDR funding based on a Savings to Investment ratio below 1, to support a Health and Safety measure, or other reasons as determined by both WAP and WDR program staff. Subgrantees should seek guidance from WAP program staff on Crossover Projects for the level of WDR support required prior to submitting a request for WDR funding.

G. MATCHING FUNDS AND COST LIMITS

Matching funds are not required for WDR, and the subgrantee cannot require a client contribution. If a repair estimate exceeds the regional cost limits (see [Table 1](#)), the subgrantee may request an exception to exceed the limit. However, the subgrantee must receive written DHCD approval before proceeding. Subgrantees may apply WDR funds in combination with other sources (e.g., Weatherization Readiness Funds (WRF), local government repair funds, utility incentives, etc.) on projects.

H. VEHICLE PURCHASES AND LEASES

As of January 2024, DHCD has suspended the use of WDR funds for vehicle purchases and leases until further notice.

I. USE OF WAP VEHICLE RESOURCES

Because WAP subgrantees are leveraging HIEE funding for WDR, the use of federally-acquired vehicles to support WAP administration is appropriate to deliver WDR projects. This is also supported in federal regulation 2 CFR.200.313(c)(2) which states: “Use [of federally acquired equipment] for non-federally-funded programs or projects is also permissible. User fees should be considered if appropriate.” Note that use of the vehicle for other federally-funded uses besides WAP should be prioritized over use for WDR.

If using a federally-acquired WAP vehicle for WDR that exceeds the minimum disposition value stated in 2 CFR.200.313(e)(1), subgrantees should track all vehicle mileage related to WDR usage. If the use of the federally-acquired vehicle for WDR projects exceeds the usage intended for WAP services, the subgrantee should credit user fees to the funding source that purchased the vehicle for WDR usage. Subgrantees should use the mileage used for WAP from the previous program year to establish the basis for determining the relative WDR vehicle mileage in excess of WAP mileage. WDR mileage should be tracked and compared to WAP usage based on the current July to June cycle to determine the reimbursable mileage above WAP usage, if applicable. User fees should be charged on a mileage basis at the going standard federal rate of reimbursement.²

IV. PROGRAM ADMINISTRATION OVERVIEW

A. CLIENT ELIGIBILITY AND INCOME VERIFICATION

All clients (homeowners and tenants) must be determined as WAP-eligible (meet income guidelines) consistent with DOE WAP Regulations. Subgrantees must receive property owner approval in writing for rental properties. Homeowners or renters must sign a service agreement with the local weatherization subgrantee committing to the needed deferral repairs and the subsequent weatherization work. All WAP and WDR clients participate on a voluntary basis. If it is determined up front that a client intends to forgo WAP services and/or will not sign the WDR application, they are ineligible for the WDR program.

² <https://www.gsa.gov/plan-book/transportation-airfare-pov-etc/privately-owned-vehicle-pov-mileage-reimbursement>

If it has been more than a year since the initial client intake, income eligibility must be re-verified. Subgrantees must prioritize serving income eligible clients first, along with immediate health and safety issues (such as unsafe combustion appliances or no heat/no A/C). Consistent with WAP guidelines, subgrantees have no obligation to serve potential clients who are unresponsive or hostile, or to offer services where suspected dangerous or illegal activity is taking place.

As of January 31, 2024, DHCD will no longer fund WDR projects for utility weatherization clients that are not federal WAP clients. Utility-program projects with Initial Set-up Reports in CAMS as of January 31, 2024 will be assessed on their merits and follow the regular process.

B. ELIGIBLE REPAIRS AND PROGRAM AND BUILDING CODE COMPLIANCE

WDR funds are to be used solely for addressing needed repair(s) causing the home or unit to be deferred from WAP. The repairs listed below are the most identified repairs that cause weatherization providers to defer weatherizing the home. The list is non-exhaustive and is subject to change. DHCD reserves the right to determine the eligibility of repairs, or any costs not listed.

All repairs completed through the WDR program must comply with all applicable building codes and be permitted where required by the Authority Having Jurisdiction (AHJ). Subgrantees and their subcontractors are responsible for obtaining any necessary permits needed for all work associated with the WDR program and ensuring inspections, if required, are satisfactorily completed by the AHJ.

Repairs not listed here must be reviewed for eligibility and pre-approved by DHCD on a case-by-case basis:

Roofs

- Roof repair or replacement (*attic ventilation strategy and measures must be addressed with all re-roof scopes of work submitted*)
- Chimney repair or removal
- Roof rafters and framing

Structural

- Wall repair- interior or exterior
- Ceiling repair - interior
- Floor repair (framing and/or subflooring)
- Repair or replacement of windows or doors where units are damaged beyond repair and/or are leaking and are causing/will cause structural damage

Electrical

- Electrical component replacements or repairs (e.g., safety hazard or exposed wiring, cannot insulate due to presence of knob and tube wiring, upgrade service panel)

Plumbing

- Plumbing repair (e.g. water leaks that would compromise insulation, cause structural damage, or unsafe/unsanitary conditions)
- Repair or replace domestic hot water (DHW) unit

Heating, Ventilating and Air-Conditioning (HVAC) Repair or In-kind Replacement (“Crossover Projects”)

- Non-working or unsafe HVAC unit (repair or in-kind replacement)
- Non-working or unsafe gas/propane range/oven repair or replacement
- Repair, sealing, or replacement of ducts
- Replace or installation of ventilation fans

Fuel Switching of HVAC Systems

DHCD will support fuel switching projects through WDR under limited conditions, including the following:

- Inoperable oil heating system
- Hardship (e.g., Fuel management such as wood)
- Market access (e.g., Delivered fuels no longer available for location)
- Provide heat pump for cooling service where needed and previously not available
- Other inoperable systems for technical requirements (e.g., space requirements)

Hazardous Materials Removal

- Mold identification and removal/remediation
- Suspected Asbestos Containing Materials identification and removal/remediation (“SACM” e.g., attic, walls, pipes etc.)
- Lead-based paint removal/remediation

Other

The following are other issues that may cause WAP deferrals and may be remedied with repairs under WDR:

- Roof soffit and fascia
- Downspouts and gutters
- Removal of vegetation (e.g., tree, bush, shrub trimming) needed to provide safe access to make eligible repairs and ensure long-term durability of repairs made through WDR
- Pest or wildlife infestation
- Personal belongings or furniture restricting access to work areas (moving and/or temporary storage of personal belongings, if needed, is an eligible expense)

C. SPECIFIC WDR REPAIR REQUIREMENTS

The WDR program has repair requirements which exceed typical WAP and NREL’s Standard Work Specification (SWS) requirements (or address repairs, such as roofing, that are not covered in the SWS) as follows:

Energy Conservation/Savings and Health & Safety Measures (“Crossover Projects”)

- Any Energy Conservation/Savings and Health and Safety measures as defined under WAP installed through WDR using WDR funds **must be completed in full compliance with the [Virginia WAP Field Guide](#) , and NREL’s [Standard Work Specifications \(SWS\)](#).**
- If ductwork components are installed, replaced, or repaired, those portions of the system (or the entire system if new) must be sealed, effective, quiet and with optimal air flow. The system or portion must be tested and not have visible air leakage measured @25 pascals. A diagnostic tool such as a Duct Blaster Test is acceptable documentation. A Pressure Pan Test and Reading of ductwork components @1.0 pascals or lower is also acceptable if using WDR program funds to repair or replace ductwork components. Please submit clear and high-quality photo(s) of the ductwork components including sealed supply registers and returns in the remittance package.

This includes, but is not limited to, the following:

- HVAC equipment
- Duct installation or sealing
- Ventilation fans (Kitchen and Bath)
- Vapor Barriers
- Smoke Detectors
- Dryer venting
- Electrical work
- Low-flow plumbing fixtures
- Water management and drainage

Roof drainage and water management:

- Gutters - Where damaged gutters are present with cracks, holes, filled or covered with debris, have incorrect pitch or missing pieces, the existing gutters shall be cleaned/repared if possible, or replaced. The repairs or replacement of gutters will ensure the gutters work properly to direct bulk water away from dwelling as well as protect the new roof or roofing repairs.
- Fascia boards - Where fascia boards are damaged, missing and/or rotten, the existing fascia boards shall be replaced or repaired. The new fascia boards must be structurally sound, and properly connected to the roof rafters and gutters to ensure repairs will not be compromised.
- Downspouts/ drain pipes – Where downspouts and/or roof drain pipes are missing or damaged, the existing downspouts and /or roof drain pipes shall be repaired or replaced with proper connections to direct bulk water away from the building.

Interior repairs and DHW units:

- Drywall repairs - Where damaged drywall is removed and replaced, the newly repaired area(s) must be appropriately primed/sealed. Finish painting is not required.

- Floor repairs – Where repairs to floors (framing and/or subflooring) are made, particularly in wet locations such as bathrooms, and if existing flooring is damaged and must be replaced, a floor covering selected to match existing flooring as closely as possible shall be installed to protect the newly repaired area.
- DHW unit drain pans – Where space allows, drain pans shall be placed under newly-installed DHW units, including those installed on a basement (concrete) floor.

D. INELIGIBLE REPAIRS

The following repairs are not eligible uses of WDR funds. DHCD reserves the right to determine the eligibility of repairs not listed. The list is not exhaustive and is subject to change:

- Gut rehabilitation or major structural repairs (e.g. unsafe foundation, collapsed floor/roof)
- Replacement of entire plumbing or electrical systems, or major structural repairs
- Replacement of windows or doors where existing units are not broken, missing, damaged beyond repair, or leaking and causing structural damage
- Repairs covered by homeowner's or flood insurance
- Repairs needed due to willful damage or negligence on the part of the owner/occupant
- Cosmetic improvements (e.g. interior or exterior painting)
- Repairs to detached garages, barns, sheds, or storage buildings
- Any work not related to addressing cause(s) of the deferral from WAP

E. WDR PROGRAM UPDATES AND EFFECTIVE DATES

This WDR Program Manual has been updated to reflect additional program requirements to those previously established. Future updates to the WDR Program Manual will occur twice yearly, if needed, and follow a January and July schedule.

If DHCD issues further program updates, these will be distributed to the subgrantees in a timely manner. ***Any additional WDR program updates will be effective on the date the updates are issued to the subgrantee network. They will not be retroactive and will not apply to project set-up reports already submitted and approved in CAMS.***

F. WDR COST LIMITS COST LIMITS

The following table (Table 1) provides cost limits by project type and region. DHCD limits WDR repair costs at reasonable and region-specific limits, as shown in Table 1. If estimated repair costs exceed the limits, the subgrantee must contact DHCD so that the request may be evaluated for approval. A list of counties by region is provided in Appendix A.

TABLE 1 - WDR REPAIR COST LIMITS (BY REGION)

Repair Needed*	Northern VA	Central and Hampton Roads	Eastern Shore, Southside, and SW VA
Roof repair/replacement** (per project)	\$13,590	\$12,980	\$12,750
Structural (per project)	\$8,350	\$7,850	\$7,720
Hazardous material removal (per project)	\$16,940	\$16,120	\$15,771
Electrical (per project)	\$7090	\$6,705	\$6,580
HVAC unit replacement (per system)	\$17,502	\$16,632	\$16,272
Plumbing (per project)	\$4,300	\$4,150	\$4,040

*Cost limits are developed by comparison of three data sources including: The National Residential Efficiency Measures Database, RS Means 2023 Assembly estimates (normalized by city, state), and data collected from projects by the Virginia Center for Housing Research (VCHR) at Virginia Tech.

**Roof repair/replacement is based on typical asphalt shingles; low-pitch or flat roofs requiring a membrane system will be more expensive so subgrantees should contact DHCD for exemption to cost limits.

V. FINANCIAL AND REPORTING REQUIREMENTS

A. CLIENT REPORTING/REQUIRED DOCUMENTATION

Subgrantees understand they have the responsibility of monitoring contractor activities by ensuring the amounts requested are accurate and can be substantiated with appropriate supporting documentation. For each household served by WDR funds, the subgrantee must retain the following:

- Documentation of incurred costs (staff time, contractor invoices, materials and equipment cut sheets, etc.) to support all remittances, consistent with procedures for WAP jobs.
- A report including number of homes repaired, amount of WDR funds invoiced, and the nature of repairs accomplished.

B. PROJECT MANAGEMENT – CAMS

Subgrantees manage documentation of WDR projects (applications, remittances, and reports) through the DHCD Centralized Application & Management System (CAMS). All subgrantees must be registered in CAMS and have approved audits in order to manage their projects and receive payment. The CAMS login and profile registration page may be accessed via the following link: [CAMS login portal](#).

Subgrantees are responsible for managing their own staff access and user roles assignments. The [CAMS User Guide](#) contains project management instructions including but not limited to:

- Managing staff access and user role assignment
- Submitting the subgrantee audit
- Requesting budget revisions
- Submitting remittances (a.k.a. invoices, drawdowns)
- Fulfilling reporting requirements

C. INITIAL SETUP REPORTS

Prior to beginning each job, the weatherization subgrantee or local service provider must submit a WDR Initial Set-up Report in CAMS. Prior to submission, the subgrantee must retitle the report in accordance with the instructions on the report in CAMS. This requires the inclusion of unique identification information for each client/project. Subgrantees must also include the WAP Job Number.

The subgrantee must also append documentation to each set-up report. This includes:

- WDR Application Form and Homeowner Agreement - This must be signed by an subgrantee representative, homeowner or landlord and tenant; application must include site address, homeowner/tenant name, a description of the repairs needed and/or equipment to be replaced and estimate of repair costs.
- WDR Authorization and Release form.
- Clear, good-quality photos of issues to be repaired and/or equipment to be replaced.

If the project will address potentially hazardous materials such as asbestos, mold, or lead-based paint, the subgrantee must provide documentation (such as testing report) that the material has been identified with the set-up report. These materials must be handled and disposed of in accordance with all applicable federal and state regulations and WAP best practices to protect client and worker health and safety.

Once DHCD has reviewed and approved the initial set-up report, the subgrantee may proceed with the project. Subgrantees may either fund each repair upfront and request reimbursement by DHCD once the project is finished (see Remittance submittals below), or on a drawdown basis as noted below. DHCD will not reimburse for work outside of the approved scope of work unless justification is submitted to DHCD for review and approval.

Justification documentation may include but not limited to the following: 1) Description and total cost of the work or measure including photo(s); 2) What events caused the work or measure (i.e., local code official request or unseen damage(s) not discovered until the start of the approved scope of work, or missed repairs at the time of the initial inspection); 3) A change in the subcontractor(s) from the approved scope of work. DHCD recommends providing the justification documentation as soon as possible to expedite the review and approval process.

Payment amount is established based on the agreed-to repair estimate for each project. Subgrantees must inform DHCD if the final remittance amount will exceed estimates provided at the time the project's initial set-up report was submitted. Depending on the scale of the change, DHCD may require the subgrantee to submit a change order or resubmit the report.

D. REMITTANCE SUBMITTALS

Subgrantees may request payment in CAMS upon full project completion to the extent feasible. However, subgrantees have the option to request payment on a draw-down basis, based on completing pre-established milestones as follows:

- Homeowner and subcontractor agreement signed (10 percent)
- Materials and equipment delivery (60 percent)
- Installation and project completion (30 percent)

To initiate the payment process, the subgrantee must submit a remittance in CAMS for each project. For each remittance, the subgrantee must submit the required and fully completed documentation, which consists of:

- DHCD-provided signed cover sheet
- Invoice documentation (e.g., contractor invoices) – This must include the following at a minimum:
 - Specifically indicates the invoice is a “Invoice.”
 - The subcontractor's license number.
 - The invoice provides actual material costs and a reasonably complete description of the associated materials used.
 - The invoice provides a description of the labor required to accompany the total cost of labor included and/or fixed price.
- Certification of Completion form
- General Contractor Affidavit, Warranty, and Lien Waiver
- Photos clearly showing all completed work - Scanned photos are not acceptable. Remittances that do not include appropriate photo documentation will be denied and must be resubmitted.
- If applicable, completed inspection reports from the AHJ.

Please note the following specific requirements regarding photo documentation:

- For all heating and cooling equipment, provide a clear photo of the data plate and Energy Guide sticker showing unit efficiency ratings. If Energy Guide sticker is

unreadable, damaged or missing, a cut sheet showing the efficiency ratings must be provided.

- Photos of completed re-roofs must include photos taken from above the roof deck showing finished details around all roof penetrations and potential leakage points (chimneys, stack vents, etc.) If subgrantee staff do not go on roofs for inspections as a matter of safety/ policy, subgrantees should arrange with the roofing contractor for photos of finished work to be taken and provided in an acceptable format.

All forms and the remittance cover sheet are available in CAMS or on the [WDR webpage](#).

The average time from remittance submission to DHCD approval is 30 days for remittances that are accurate, complete, and include all required documentation at the time of submission. If there are discrepancies or issues with the remittance documentation, and changes or resubmittals are required, the process may extend beyond 30 days. DHCD will reach out to the submitting subgrantee regarding incomplete remittances.

E. QUALITY CONTROL, CORRECTIVE ACTION, AND SITE INSPECTIONS

DHCD will employ a quality control process to ensure that WDR work quality is acceptable and durable. DHCD will check the following details to ensure project set-up reports and remittances meet program requirements:

- Work scope and photos provided with set-up reports must clearly identify all measures to be installed and work to be completed through the WDR program
- Post work photos provided with remittance must clearly show areas of completed work or measures installed, consistent with the set-up report
- DHCD staff may contact subgrantee staff by phone or e-mail for clarification and/or additional information at any point during the process

If DHCD determines that completed work is not acceptable or is non-compliant with WDR program requirements, DHCD staff will proceed as follows:

Level 1 - DHCD will send an e-mail request to subgrantee staff noting the deficiency in submitted work and request the subgrantee (or its subcontractor) make the requested correction(s). Subgrantees shall respond within two weeks to the request with a plan of action to correct non-compliant or substandard repair(s), unless there are significant health and safety deficiencies, the subgrantee must respond immediately and make the corrections.

After photos of corrected work are re-submitted with the remittance and reviewed, then remittances will be approved.

Level 2 - If there is no response from the subgrantee, DHCD will send a certified letter to the subgrantee director requesting a written response and action plan to address the

non-compliant or substandard work. DHCD may request a meeting via video or phone conference with the subgrantee’s executive leadership team.

Level 3- If there is no response from the subgrantee two weeks from the delivery date of certified letter, and non-compliant or substandard work has not been corrected to required standards, DHCD will conduct a site monitoring visit to ensure repairs are corrected and compliant. Failure to complete or correct non-compliant repairs may result in non-payment of the remittance and may result in termination of the agreement between DHCD and the subgrantee.

In addition to any needed site monitoring visits related to non-compliance, as noted above, subgrantees should expect one or more site technical monitoring visits by DHCD staff annually as a part of regular program quality control and quality assurance activities. DHCD will reach out to subgrantee staff to coordinate timing of these visits. These visits may include inspection of installed measures.

F. METHOD OF PAYMENT

DHCD requires that subgrantees receive funds via electronic transfer. Instructions establishing an account with the Virginia Department of Accounts (DOA) is located on their website through the selection of Electronic Data Interchange (EDI) from the link on the [DOA main webpage](#). The [EDI guide](#) can then be accessed through a link under the Trading Partner Information section. Any grantee with unresolved findings or compliance issues, including for other programs, may have payments suspended.

G. ACCOUNTING AND FINANCIAL CONTROLS

Subgrantees must have established standard accounting practices including internal fiscal controls, standard accounting procedures, and track subgrantee and program budgets by revenue sources and expenses.

Sub-recipients understand they have the responsibility of monitoring contractor activities by ensuring the amounts requested are accurate and can be substantiated with appropriate supporting documentation.

VI. ADDITIONAL SUBGRANTEE REQUIREMENTS

A. COMPLIANCE WITH FAIR HOUSING AND CIVIL RIGHTS LAWS

(1) WAP subgrantees must comply with all applicable state and federal fair housing and civil rights requirements (see 24 CFR 5.105(a)). This includes the Virginia Values Act (effective July 1, 2020) which expands the list of protected classes under the Virginia Fair Housing Act. As the Virginia Fair Housing Act prohibits discrimination based on race, color, national origin, sex, pregnancy, childbirth or other related conditions (including lactation), age (over 40), marital status, disability, sexual orientation, gender identity, or veteran status (collectively the “Protected Classes”). (2) If the WAP subgrantee: (a) Has been charged with an ongoing systemic violation of the Fair Housing Act; or (b) Is a defendant in a Fair Housing Act lawsuit

filed by the Department of Justice alleging an ongoing pattern or practice of discrimination; or (c) Has received a letter of findings identifying ongoing systemic noncompliance under Title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, or section 109 of the Housing and Community Development Act of 1974, and the charge, lawsuit, or letter of findings referenced in subparagraphs (a), (b), or (c) above has not been resolved before the application deadline, then the subgrantee is ineligible to apply for funds.

B. NOTIFICATION OF GRANTEE AS WDR BENEFICIARY

Grantees may not complete WDR work on a property owned by themselves or an affiliate business entity unless they are given explicit written approval from DHCD.

VII. DHCD STAFF CONTACT INFORMATION

The WDR program, along with WAP, is administered under DHCD's Energy Efficiency and Housing Rehabilitation office. For general questions about WDR or WAP, please contact:

Tim Pettit
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For technical questions, please contact:

Jennifer Mares
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For program administration questions, please contact:

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CAMS Issues and Troubleshooting
CAMShelp@dhcd.virginia.gov

APPENDIX A. COUNTIES BY ECONOMIC REGION FOR COST LIMITS

County/City	Northern VA	Central, Shenandoah, and Hampton Roads	Eastern Shore and Southside	Southwest VA
Accomack			X	
Albemarle		X		
Alexandria (city)	X			
Alleghany				X
Amelia		X		
Amherst				X
Appomattox		X		
Arlington	X			
Augusta		X		
Bath				X
Bedford				X
Bland				X
Botetourt				X
Bristol (city)				X
Brunswick			X	
Buchanan				X
Buckingham		X		
Buena Vista (city)		X		
Campbell			X	
Caroline			X	
Carroll				X
Charles City		X		
Charlotte			X	
Charlottesville (city)		X		
Chesapeake (city)		X		
Chesterfield		X		
Clarke		X		
Colonial Heights (city)			X	
Covington (city)				X
Craig				X
Culpeper		X		
Cumberland		X		
Danville (city)			X	
Dickenson				X
Dinwiddie		X		

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County/City	Northern VA	Central, Shenandoah, and Hampton Roads	Eastern Shore and Southside	Southwest VA
Emporia (city)			X	
Essex		X		
Fairfax	X			
Fairfax (city)	X			
Falls Church	X			
Fauquier	X			
Floyd				X
Fluvanna		X		
Franklin				X
Franklin (city)		X		
Frederick		X		
Fredericksburg (city)		X		
Galax (city)				X
Giles				X
Gloucester		X		
Goochland		X		
Grayson				X
Greene		X		
Greensville			X	
Halifax			X	
Hampton (city)		X		
Hanover		X		
Harrisonburg (city)		X		
Henrico		X		
Henry				X
Highland		X		
Isle of Wight		X		
James City		X		
King and Queen		X		
King George		X		
King William		X		
Lancaster		X		
Lee				X
Loudoun	X			
Louisa		X		
Lunenburg			X	
Lynchburg (city)			X	
Madison		X		
Manassas	X			

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County/City	Northern VA	Central, Shenandoah, and Hampton Roads	Eastern Shore and Southside	Southwest VA
Manassas Park	X			
Martinsville (city)			X	
Mathews		X		
Mecklenburg			X	
Middlesex		X		
Montgomery				X
Nelson				X
New Kent		X		
Norfolk		X		
Northampton			X	
Northumberland		X		
Norton (city)				X
Nottoway			X	
Orange		X		
Page		X		
Patrick			X	
Petersburg (city)			X	
Pittsylvania			X	
Poquoson (city)		X		
Portsmouth (city)			X	
Powhatan		X		
Prince Edward			X	
Prince George			X	
Prince William	X			
Pulaski				X
Radford (city)				X
Rappahannock		X		
Richmond		X		
Richmond (city)		X		
Roanoke				X
Roanoke (city)				X
Rockbridge		X		
Rockingham		X		
Russell				X
Salem (city)				X
Scott				X
Shenandoah		X		
Smyth				X
Southampton			X	

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County/City	Northern VA	Central, Shenandoah, and Hampton Roads	Eastern Shore and Southside	Southwest VA
Spotsylvania		X		
Stafford	X			
Staunton (city)		X		
Suffolk		X		
Surry			X	
Sussex			X	
Tazewell				X
Virginia Beach			X	
Warren		X		
Washington				X
Westmoreland		X		
Williamsburg (city)		X		
Winchester (city)		X		
Wise				X
Wythe				X
York		X		

APPENDIX B. Questions and Answers from Subgrantee Engagement (February 2024)

Questions Received During WDR Program Update Presentation 2/1/2024

Q: May subgrantees use the funds in the WDR Administration budget category to purchase a vehicle(s)?

A: See Section [III.H. Vehicle Purchases and Leases](#)

Q: If a subgrantee submits an application and WDR staff requests that the subgrantee expand the scope of work to include a weatherization measure, does this reclassify a WDR project as a Crossover Project? (Example, A roof is being installed, and the WDR staff request that we included gutter extensions, which may be a weatherization measure.)

A: When weatherization measures are most efficiently installed along with WDR repairs, they can often be combined. Please check with WDR's Technical Monitor before project setup.

Gutters, downspouts, and extensions are referenced in the WAP SWS (Gutters <https://sws.nrel.gov/spec/202011> and Downspouts <https://sws.nrel.gov/spec/202012>) as well as the WDR program. Projects can include WAP H&S Measures as well as WDR program repairs at the same time. The WDR Remittance Cover Sheet also documents cost splits by WDR versus non-WDR funding sources.

Q: What are the allowable costs for utilizing WDR Administrative funds?

A: See section [III.B. Administrative Costs](#)

Q: If a WDR-eligible home has an electric heat pump with poor ductwork and will have mini-splits installed, would this activity be classified as HVAC fuel switching or HVAC Crossover? It is not technically a repair or in-kind replacement.

A: If an electric mini split is installed, then this would be an in-kind replacement and considered potentially a Crossover Project. Unlike fuel switching project, such an installation could be potentially funded by both WDR and WAP.

Q: Would DHCD-WDR be willing to hold a virtual meeting for contractors to discuss the program expectations so that they can ask questions and hopefully gain a better understanding of the program?

A: Yes.

Q: Which job number from WAP is to be entered into the CAMS Initial Set-up Report?

A: Currently the data element is labeled as the "Hancock job number" in the Hancock software.

Q: What is basis for determining vehicle usage in WDR? When does the basis begin?

A: Section [III.I Use of WAP Vehicle Resources](#) has been updated to include the following instruction: "Subgrantees should use the mileage used for WAP from the previous program year to establish the basis for determining the relative WDR vehicle mileage in excess of WAP mileage. WDR mileage should be tracked and compared to WAP usage based on the current July to June cycle to determine the reimbursable mileage above WAP usage, if applicable."

Q: Is the value based on market value or amortization?

A: As currently stated in CFR 200.313.(e)(1): “Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further responsibility to the Federal awarding agency.”

Q: Can you address concerns about the restriction of using utility weatherization program funding to complete weatherization for households above the federal weatherization income limits?

A: Unfortunately, DHCD cannot verify either eligibility or completion of measures outside of the federal weatherization program.

Q: Will WDR remittance processing be delayed if weatherization is not complete?

A: No. Remittances will be handled according to the current procedure outside of the weatherization program processes and procedures.

Q: When the invoice equals the estimate [included in the Initial Setup Report], why can't a contractor submit an invoice for the full amount without the detail?

A: – The initial setup report is a best estimate and may not represent a quote from any specific contractor, but the estimate based on several contractors' bids. DHCD maintains that the estimate does not represent actual payment documentation; rather, the submitted invoice is the final statement by the subgrantee of the materials purchased and the labor associated with the WDR project.

Q: How do we address braided or blended funding on the cover sheet in current WDR Remittance Cover Sheet form?

A: The WDR Remittance Cover Sheet has been modified to accommodate other funding sources.

Q: Why don't we require the contractors' license in the Initial Setup Report?

A: It is the subgrantee's responsibility to ensure only licensed contractors are retained for WDR projects. DHCD may verify contractor licenses through periodic reviews and audits.

Questions Received Post-WDR Network Presentation

Q: We believe we get more measures and better SIRs if we do energy audit even though it may need WDR work. When we enter an existing and call for replacement it puts it in a different place on the audit measures than if we go ahead and do WDR, if we wait till a new heat pump is installed and then model the home with a new heat pump, it may stop some measures and lower SIR of other measures.

A: The order in which subgrantees choose to conduct the formal audit for energy modeling is not specified in this Program Manual. Subgrantees can identify potential deferred weatherization measures, and related WDR-funded repairs, by doing walk-throughs before, during, or after the formal audit and energy modeling process. Some WDR-related repairs can be clearly identified without the energy audit (e.g., very old leaky roofs in poorly insulated attic spaces or non-

functioning and unsafe oil furnaces where heat pumps would be preferable to an in-kind replacement).

Subgrantees should follow DOE regulations and procedures with respect to optimizing fund braiding with federal and non-federal sources (e.g. WDR or utility funding) and work with DHCD staff in cases where co-funding with WDR is necessary.

In Hancock, if measures are modeled as Energy Conservation Measures (ECM), this will appear under the Energy Savings section within the Energy Savings Report (ESR). At this point, subgrantees have two options to leave the measure in the audit as an ECM:

1. If the ECM receives an SIR of 1.0 or higher, DOE funding can cover 100% of the cost of the measure or subgrantees may braid with other funds freely without restrictions.
2. If the ECM receives an SIR lower than 1.0, DOE funding will only cover the fraction of the measure represented by the SIR (e.g., SIR * measure cost = Maximum DOE funding). The remaining balance must come from a non-federal source such as WDR or utility funding.

Because WAP regulations stipulate that a home must have a functioning heating system, for SIRs less than 1.0, subgrantees can replace the unsafe or nonoperational heating system as a Health and Safety (H&S) measure without WDR funding. Currently in Hancock, such an H&S measure requires the new unit to be modeled as the baseline or existing unit.

Q: On page 14 [of the current WDR Program Manual as of time of writing], under Section V.D. Remittance Submittals, it says invoices must “specifically indicate the invoice is a “Final Invoice”. I request that it be enough that the invoice is identified as “Invoice” with a unique identifier such as an invoice number, contractor’s license number, a date and a description of the labor and materials provided.

A: DHCD supports this suggestion, that the final invoice states the word “Invoice” with a unique identifier such as an invoice number, contractor’s license number, a date and a description of the labor and materials provided as described in Section V.D. Invoices are different documents from estimates and never also include the word “Estimate.”